

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 788

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 18, 2012

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 788, with committee amendments.

As amended, this bill appropriates \$7,453,000 for Family Planning Services grants through the Department of Health and Senior Services for which funding had been eliminated from the FY 2011 and FY 2012 appropriations act. The elimination of this funding has resulted in both the closing of facilities that provide family planning services and a reduction in the availability of such services. The bill specifies that the monies cannot be used for abortion procedures. The bill, as amended, specifies that the appropriation from the General Fund is payable from the Clean Energy Fund.

In addition, the bill requires the Department of Human Services to submit a State Plan Amendment to the federal Centers for Medicare and Medicaid Services to expand Medicaid coverage for family planning services to persons with incomes up to 200% of the federal poverty level. Expansion of Medicaid family planning services would generate a 90% federal reimbursement and would make the provision of these services cost-effective from a State financial perspective. Available information is that the Medicaid program's existing appropriation contains sufficient funds to support any additional State cost associated with this expansion.

This bill was pre-filed for introduction in the 2012-2013 session pending technical review. As reported and amended, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amendment specifies that the appropriation from the General Fund is payable from the Clean Energy Fund.

FISCAL IMPACT:

The bill makes a FY 2012 supplemental appropriation of \$7,453,000 for Family Planning Services. This appropriation is expected to leverage a 90% federal match, though these matching

funds would not be realized during FY 2012. Federal funding would be contingent upon grant awards for individual projects.

A Medicaid State Plan Amendment would need to be submitted to, and approved by, the federal Centers for Medicare & Medicaid Services before it could be implemented; therefore this provision would have no fiscal impact in FY 2012. In 2010, the Department of Human Services estimated that, if and when the plan amendment is approved and the program is implemented, the annual cost of the program will be \$16.2 million, with the federal government providing \$15.1 million and the State providing \$1.1 million. No information is available as to how the estimate was developed, or if the estimate has changed in the past two years.